

U.S. Department of Treasury

**First Accounts Project
Final Report
New York Credit Union Foundation
Award Number: TOS-2002-0115G**

**Submitted by
National Credit Union Foundation
601 Pennsylvania Avenue, Suite 600
Washington DC 20004-2601
December 31, 2004**

I. Introduction

The National Credit Union Foundation, Inc. (NCUF), a national organization dedicated to the advancement of the U.S. credit union movement, promotes and improves consumer financial independence through credit unions. To accomplish this mission, NCUF funds projects that provide access to quality, affordable financial services; improve the financial literacy of consumers through education; and build the wealth of consumers. Created almost 25 years ago, NCUF focuses on low-income, ethnic and other un-or under-served groups and works to break the cycle of debt that these groups often encounter. NCUF is an affiliate of the Credit Union National Association, the movement's national trade association. As such, it is part of a three-tiered system, which consists of credit unions at the local level and trade associations at the state and national levels.

According to recent statistics, there are about 10 million unbanked households in the United States.¹ National data sets have identified broad groups who make up the unbanked. In general, individuals who do not have a bank account tend to earn less than \$25,000 a year; are not well –educated; more likely to be non-working; young; renters; and members of a racial and/or ethnic minority.² The majority of the unbanked can be found in densely populated urban areas or rural geographies where migrant workers are heavily relied upon by the agricultural industry. In a study Cornell University conducted in 2003, people without bank accounts cited three main reasons why. They do not:

- 1) write enough checks,
- 2) have enough money, nor
- 3) like dealing with banks.

Approximately three million unbanked individuals currently receive some form of federal benefits (SSI, SSDI, railroad pension, military pension, etc.).³ The U.S. Department of Treasury (Treasury) pays \$4 to \$5 to distribute federal benefits to each unbanked individual per year. The cost to distribute federal benefits electronically (via Electronic Fund Transfers or Electronic Transfer Accounts) is substantially cheaper than mailing paper checks. Treasury's Financial Management Service estimates that a fully implemented Electronic Fund Transfer system could save the government \$100 million per year in printing, processing, and postage costs.⁴ In addition, researchers and consumer advocates argue that the unbanked will be profoundly impacted if they remain outside of our nation's financial system. For the financial and economic health of our country, the unbanked must be brought into the financial fold like most of the country's residents.

Credit unions are uniquely suited to reaching out to our nation's unbanked. First, they are non-profit, financial cooperatives owned and controlled by their members. Founded on a cooperative movement of

¹ Caskey, John P. "Reaching Out to the Unbanked." Swarthmore College. p 81 – 82.

http://www.chicagofed.org/cedric/files/cfmacd_caskey.pdf, 12/16/04.

² Bristow, Barbara J. "Who are the Un-Banked?" Cornell University. Presented at the Eastern Family Economics and Resource Management Association. 2004 Conference. Abstract. P. 1

³ Prescott, Edwards and Tatar, Daniel. "Means of Payment, the Unbanked, and EFT '99" Federal Reserve Bank of Richmond Economic Quarterly. Volume 85/4 Fall 1999. <http://www.rich.frb.org/pubs/eq/pdfs/fall1999/prescott.pdf>. page 51. 12/16/04.

⁴ Ibid. p. 63

“People Helping People,” credit unions are predisposed to helping the groups that make up the unbanked. With a history of reaching out to people of modest means, credit unions make financial literacy a priority and regularly engage in local and national financial literacy efforts. Consequently, CUs have developed a sophisticated array of programs—including international wire service programs and alternatives to pay day lending—to help meet the needs of immigrants and unbanked people.

II. Project Structure

In March 2002, NCUF submitted a proposal to Treasury in response to a Notice of Funding Availability for the First Accounts project. Proposing to partner with credit unions to bank the unbanked, NCUF was one of twelve organizations Treasury selected to participate in the pilot program. In September 2002, NCUF entered into a contractual agreement with Treasury to bring financial services to 20,400 of the unbanked. In order to meet this obligation, NCUF focused on three regions of the nation – New York, Texas and the Western United States. NCUF entered into contracts with three subcontractors in these regions – the New York Credit Union Foundation, the El Paso Credit Union Affordable Housing, LLC and the Washington Credit Union Foundation. This final report presents the project’s experience for one of NCUF’s subcontractors - the New York Credit Union Foundation (NYCUF).

NYCUF’s contract established program goals as well as numeric targets for the number of first accounts to be opened between December 6, 2002 and September 30, 2004. NCUF subcontracted with the NYCUF to administer the project with Cornell University and six credit unions. The credit unions, NCUF’s lower tier subcontractors, were to work directly with the unbanked, reaching at least 2,100 during the two-year project. NYCUF’s contract with Cornell University was developed to provide financial literacy courses, which would be presented jointly with the credit unions to the unbanked or to the credit unions staff members.

As the national intermediary, NCUF agreed to act as the liaison between NYCUF and Treasury. This required submitting quarterly and final reports, tracking the project’s status, submitting reimbursements, monitoring the budget, and providing technical assistance as needed. NCUF conducted technical assistance calls with the participants from the NYCUF program as well as the other NCUF subcontractors. During these calls all participants had the opportunity to share success stories and challenges. This allowed for cross-pollination between the three separate NCUF subcontractors.

On May 15, 2004, NCUF made a site visit to Cornell University and reviewed their OMB compliance with Circulars A-110, A-122 and A-133 and their recordkeeping procedures. Documents and compliance information appeared to be in place and properly executed.

The multi-layered project required clear lines of authority.

- **NCUF** – Under contract to Treasury, acted as liaison between NYCUF and Treasury; submitted reports and financial information; worked with NYCUF to review and approve Cornell and the individual credit union’s activities; and provided technical assistance to NYCUF and its subcontractors.
- **NYCUF** - Under contract to NCUF, tracked and coordinated the project with Cornell and the credit unions, made sure reports were filed and financial information submitted.

- **Credit unions** - Under contract to NYCUF, hosted financial literacy classes and worked directly with unbanked individuals; encouraged the target population to open accounts and participate in a financial literacy program; and responsible for certifying each account.
- **Cornell University** - Under contract to NYCUF, responsible for developing an in-depth financial literacy curriculum in Spanish and English; and developed *Moneywork\$*, a financial literacy course, taught through Cornell's cooperative extension program to the project's participating credit unions.

III. New York Credit Union Foundation

Located in Albany, New York, the NYCUF was established by the New York State Credit Union League in 1970 to help the state's credit union volunteers with their professional education and training needs. It served in that capacity for 25 years until 1995, when it was refocused to advance the ideals and goals of the credit union movement within the state, with an emphasis on consumer financial education for young people. It now works to help improve the financial well being of all underserved New Yorkers by supporting initiatives that reinforce the movement's "People Helping People" philosophy.

The First Accounts project fit within NYCUF's mission and furthered the organization's program goals. While the past two years have been challenging, the purpose of the First Accounts project – to bank the unbanked - has integrated into NYCUF's support for credit unions. The First Accounts project compliments NYCUF *IRnet* initiative, a safe, economical and convenient international money transfer alternative that focuses on the needs of both immigrants and credit unions. *IRnet* is the International Remittance Network of the World Council of Credit Unions. With over 20 percent of New York residents being foreign born, millions of dollars are sent overseas each year. *IRnet* offers better rates to those who are currently unbanked. In 2003, NYCUF sponsored free training sessions for credit union staff. Support of the training sessions helped spread the word about *IRnet* to many new credit union staff members.

Another initiative similar to First Accounts is NYCUF's sponsorship of *LifeSmarts*, an annual web-based game show-style competition that builds consumer and marketplace knowledge for high school students. It is an effort to better prepare students as responsible consumers in today's economy. Through the High School Financial Planning Program facilitated by NYCUF, thousands of children in 80 schools across New York are gaining an understanding of how finances actually work.

IV. New York Credit Union Foundation – Project Approach

NYCUF's subcontract with NYCUF was designed to provide access to financial services for at least 2,100 unbanked low- and moderate-income individuals who are new entrants to the workforce. The project focused on people living in Albany, New York City, the Buffalo-Niagara area and Saratoga, Tompkins, Warren and Washington counties. NYCUF achieved the outcomes by entering into subcontracts with six credit unions and Cornell University.

NYCUF brought the following six credit unions to the project:

- Alternatives Federal Credit Union – Ithaca NY
- Bethex Federal Credit Union – Bronx NY
- Bushwick Federal Credit Union – Brooklyn NY
- Homestead Credit Union – Harlem NY
- Lower East Side People’s Federal Credit Union – Lower East Side NY
- Neighborhood Trust Federal Credit Union – Washington Heights/West Harlem NY

Cornell University was contracted to develop bi-lingual program materials and train the credit unions staff members on how to use the materials. With this charge, Cornell was instrumental in getting the initiative underway. It developed a detailed financial literacy curriculum, *MoneyWork\$* that was distributed to Cornell’s cooperative extension staff and the six credit unions.

The credit unions agreed to market First Accounts to induce employers and employees to participate and to develop a volunteer mentor program to assist the newly banked individuals. Each credit union used a unique approach to their project. The following summaries describe each project.

Alternatives Federal Credit Union, located in Ithaca, is a regional cooperative credit union that provides services to several counties in central and upstate New York. It is a low-income designated credit union, which targets products and services to the low-income. Alternatives’ mission is to improve the financial stability of its members and the community it serves. It offers several products that directly meet the financial needs of low- to moderate-income individuals including Individual Development Accounts, free tax preparation services, and a range of affordable and flexible mortgage products. To implement the First Accounts project, Alternatives Federal Credit Union reached out to the community through its partners and its existing marketing efforts. *Under the First Accounts project, Alternatives was to bank 221 of the unbanked. It exceeded its goal by 123 percent, banking 271 people.*

Bethex Federal Credit Union is located in the Bronx and has two branch offices. It was founded in the 1970s by and for mothers on public assistance. Bethex has developed several innovative partnerships that put it in direct contact with very low-income residents. One such partnership is with a check-cashing business. This partnership has complemented other Bethex marketing and financial literacy activities and helped reach hundreds of low-income households, encouraging them to open their first checking accounts. The true “pilot” of First Accounts/*MoneyWork\$* project was the successful collaboration between Bethex and Cornell University’s cooperative extension program managers in New York City. *Under the First Accounts project, Bethex was to bank 975 of the unbanked. It exceeded its goal by 195 percent, banking 1,901 people.*

Bushwick Cooperative Federal Credit Union, located in Brooklyn, is a community development credit union organized to address the shortage of affordable financial services in one of the most economically disadvantaged neighborhoods of New York City. It is the only community development financial institution serving a Brooklyn neighborhood of approximately 105,000 people. Bushwick reached out to the unbanked through its existing partners and events. It was able to market its program through announcements, handouts, and word-of-mouth. *Under the First Accounts project, Bushwick was to bank 314 of the unbanked. It exceeded its goal by 161 percent, banking 505 people.*

Homesteaders Federal Credit Union is a community development credit union that provides affordable financial services to the Harlem community and the New York City cooperative housing community. The credit union was able to reach out to the unbanked through its partners and the financial literacy programs it regularly conducts. Also, through its homeownership and savings program, Homesteaders was able to encourage the unbanked to save for homeownership by establishing a banking account with a financial institution. *Under the First Accounts project, Homesteaders was to bank 704 of the unbanked. It exceeded its goal by 115 percent, banking 813 people.*

The Lower East Side People's Federal Credit Union (LESPFCU) is a federally chartered community development credit union serving primarily low- and moderate-income people on New York City's Lower East Side. LESPFCU approached the First Accounts project by using its financial literacy courses to reach out to the unbanked. During courses, it encouraged participants to open accounts as a way to better manage their finances. It also offered free tax preparation services and allowed for the client to open a bank account with the tax return. *Under the First Accounts project, LESPFCU was to bank 813 of the unbanked. It exceeded its goal by 120 percent, banking 713 people.*

Neighborhood Trust Federal Credit Union is located in two of New York City's most economically disadvantaged neighborhoods – Washington Heights and West Harlem. It began operating in 1997 and in its first five years, 4,100 residents opened accounts at the credit union. The credit union used its bi-lingual financial education program to reach out to the people living in the neighborhood, which is home to the largest community of Dominican Republicans outside of the country itself. *Under the First Accounts project, Neighborhood Trust Federal Credit Union was to bank 300 of the unbanked. It exceeded its goal by 154 percent, banking 461 people.*

V. New York Credit Union Foundation - Program Outcomes

The contract between NCUF and NYCUF established quantifiable goals for each participating credit union as well as an overall program goal. NYCUF's goal was to bank at least 2,100 people during the course of the project and in the two years banked 4,664 people, exceeding the target by more than 100 percent. Each credit union offered financial literacy classes and worked through its own established network of community partners or programs such as Volunteer Income Tax Assistance centers to reach out to potential new account holders

In Year 1, NYCUF focused on creating the financial literacy materials through Cornell University and in helping the credit unions market the First Account project to the target population. Most of the targets were reached during Year 2, when the credit unions were positioned to vigorously implement their programs. Although NYCUF's contract with multiple subcontractors was difficult to administer, the program was ultimately successful. Key elements leading to that success were the expertise and knowledge of the credit unions' staffs and Cornell's high quality educational materials.

Table 1A – Program Outcomes				
Benchmark	Year 1 – 600	Year 2 - 1,500		
	Participating Credit Union	Program Target	Actual # of Accounts	Percent of Target
Certified Total Accounts	Alternatives Federal Credit Union	221	271	123%
	Bethex Federal Credit Union	975	1,901	195%
	Bushwick Cooperative Federal Credit Union	314	505	161%
	Homesteader Federal Credit Union	704	813	115%
	Lower East Side People’s Federal Credit Union	592	713	120%
	Neighborhood Trust Federal Credit Union	300	461	154%
	Total	3,106	4,664	

VI. Lessons Learned

By the project’s end, all participating credit unions had well-established programs in place and a continued commitment to serving the underserved through the First Accounts project. Despite challenges that emerged in administering such a complex project, program implementation was challenging because each credit union had its own methods of program implementation including tracking and reporting procedures. The project’s multiple players all had their own visions of how the program should be administered. In addition, NYCUF experienced some staff turnover, which impacted communication and project continuity. In spite of those challenges, the project met its goals and participants gained valuable experience and insights.

The bullets below briefly describe the most significant lessons learned from the First Accounts project for NCUF as the national intermediary and NYCUF as the implementation subcontractor.

Project Administration – NCUF as the national intermediary

- **Lesson 1: Credit union partners should have a strong understanding of financial literacy training** - NCUF initially included a mix of credit unions in the project - some with and some without existing financial literacy programs. NCUF believed that the program could be used to help build capacity at credit unions that had the commitment to financial literacy but did not have the resources to implement programs on their own. Eventually NCUF, working with its subcontractors and Treasury, reallocated funding from the less experienced credit unions because they were not performing adequately. Three reasons as to why the less experienced organizations were unable to perform were:
 - Lack of existing staff and resources that could get the program started,
 - Lack of understanding of the market being served by a First Accounts program, and
 - Inadequate staff training on serving low-income persons, many with language/literacy limitations.

- **Lesson 2: Program expectations must be clearly defined** - NCUF and subcontractor partners were not always on the same page with each other clearly about program expectations and reporting requirements. Despite having written contracts with specific requirements clearly outlined, NCUF learned it is imperative that all program expectations be communicated both orally and in writing to help create a paper trail and avoid misunderstanding. NCUF also learned that communication must be frequent, consistent and redundant.
- **Lesson 3: Program outcomes must be realistic.** Credit unions with existing financial literacy programs have a better sense of the number of unbanked residents in their community and how to reach them. However, even credit unions with existing programs need to have realistic and often smaller goals for the first quarter. This is evidenced by the fact that each subcontractor underperformed in the first quarter and sometimes even in the second one but able to eventually make up the shortfalls.
- **Lesson 4: Certification methods should recognize characteristics of the unbanked.** Many unbanked individuals are suspicious of government and financial institutions. Treasury, however, understandably wants written documentation that the new accounts were indeed first accounts. All NCUF subcontractors found some of its program participants were reluctant to sign official-looking forms. Consequently, some of the unbanked that opened accounts could not be counted toward the credit union's numeric targets.

Project Implementation – NYCUF as the implementation subcontractor

- **Lesson 1: Communication procedures must be established at the onset** – The project required careful and constant communication between and among subcontractors. Communication procedures should have been developed early in the project. This would have helped clarify roles and responsibilities at the onset and define expectations. The project's multiple players created a cumbersome network that sometimes failed to provide consistent and adequate communication and collaboration.
- **Lesson 2: Financial literacy program must be adapted to its audience** - Cornell University's research has found that significant gains in financial knowledge and improvements in financial practices result from longer (8-12-hour) financial education programs. Consequently, its financial literacy program, *MoneyWork\$*, is an extensive eight-hour program. The credit unions, however, have learned that longer educational programs lack attendance due to the heavy demands on the target population's time. In addition, during the summer months or between July and September, it is difficult to get people to enroll in workshops. Scheduling is problematic because some agency programs discontinue over the summer and participants are less willing to commit to a weekly financial educational program.
- **Lesson 3: Marketing and outreach is critical** - While the participating credit unions already had partnerships in their communities, they found that marketing and outreach was necessary to reach even more unbanked individuals. Continuous exposure and wide networking efforts helped build awareness of the program. The credit unions learned that using multiple methods, including word of

mouth, was necessary for reaching more people in the communities. One highly effective way to induce opening a bank account was by offering free tax preparation services and then encouraging the taxpayer to open an account with the refund. Another effective tool was to combine work force skill-building training programs or General Education Development programs with the financial literacy programs. In this way, the unbanked, who often attend such training, can accomplish two things at once.

VII. Financial Report

Please see attached Financial Status Report forms SF-269 and SF 272. Appendix B is a reconciliation of actual expenses of the project funded with Grant Funds for the entire grant period.

VIII. Recommendations

- **Continue support of New York's First Accounts programs with credit unions** - The demographics of New York, especially New York City, with large numbers of low-income and immigrant residents make it very suitable and well positioned to benefit from continued First Account efforts. First Accounts programs do not generate revenues for financial institutions, including credit unions. Therefore, grant funds must be available to support both the marketing and maintenance of first accounts.
- **Require well-established partners to maximize efforts** - Credit unions have a network of partners in their communities. As indicated throughout this report, partnerships and relationships in the community are critical to the success of any first account programs. The fact that all of the credit unions in this project had well-established partnership and relationships helped make the program successful.
- **Certification methods should take into account relevant characteristics of the unbanked** - Many unbanked individuals are suspicious of government and financial institutions, and are reluctant to fill out separate official looking forms. Certification should be incorporated into the routine forms required to open a bank account and acceptable to Treasury as verification that the individual had no prior bank account.

IX. Conclusion

Based on the experiences in administering and implementing this project in New York, NCUF highly recommends that Treasury continue to support the First Accounts program. The First Account efforts are cost-effective for the federal government and they respond to the educational needs of low-income communities that are underserved by traditional financial institutions and preyed upon by predatory lenders. Low-income people who lack relationships with traditional financial institutions often fall prey to pay day lenders who charge exorbitant fees to cash their paychecks. The low-income go to such outlets because they need instant access to cash since they often cash their paychecks in the

evening or on weekends. In addition, the unbanked prefer to deal with people who speak their language and know their customs.

Credit unions bring expertise to the First Account program, making them “natural” entities for such a project. They are non-profit member-owned cooperatives committed to the communities in which they are located and are known to the residents. As a result, they have ties to and within the community through their members. Credit unions also provide affordable financial products and services targeted to the people who live and work in their neighborhoods, many of whom are the unbanked. But, most applicable, credit unions have financial literacy programs in place and understand the importance of educating people about responsible banking and personal finances – information most of the unbanked need.

The First Accounts project, as a pilot program for Treasury, was challenging as well as rewarding. NCUF learned many lessons as the national intermediary, which it will use in future projects and strategies for the unbanked. Although the project has ended, its purpose will remain as one of NCUF’s fundamental activities and one way in which it can accomplish its mission through the credit union movement. The First Accounts project reinforced NCUF’s belief that banking the unbanked is a priority for our organization as well as the nation.

Appendix A
Brief Descriptions of Cornell University's Curriculum

Educators' Guide - The Money Work\$ curriculum features approximately eight hours of workshop activities and instruction. Content areas include: tracking expenses, controlling cash flow, creating a realistic spending plan, setting financial goals, selecting an account with beneficial features, writing checks, deposit and withdrawal slips, reconciling a statement, consumer self-protection, and credit scores. The curriculum guide is designed to be easy to use for even a non-experienced teacher or facilitator.

Participants' Booklets - Two versions of a participant workbook were developed: one designed for all participants, and another specifically designed for new credit union account holders. The workbooks were used as supplements in workshops for new account holders and for credit unions to distribute to new account holders as a home study tool.

Train-the-Trainers Guide - This guide was created to help credit union staff effectively present the educational program. Those who participated in this training were given a copy of the educational curriculum and supplies for participants. Unfortunately, the start up required to get a program like this up and running, meant that only a few organizations and very few credit unions were ready to take advantage of this aspect of the program during the contract period.

Financial Mentoring Program Manual – Feedback from participants in the initial focus groups indicated that one-on-one assistance with personal finances would be a welcome supplement to the workshops, so a financial mentoring program was developed. This program provides a well-organized method for recruiting, training, placing and managing volunteers who help individuals with their account management skills. Cornell University created a Financial Mentoring Handbook that was provided to each volunteer mentor who took part in the training program. This program was developed by a subset of the project team and was presented in January 2004 to all Cornell Cooperative Extension Money Work\$ program managers and coordinators. It has now been implemented in three of the four pilot sites. One new approach to promoting the availability of this service was developed just before the close of the project: a certificate is offered to each participant who completes the Money Work\$ program entitling them to a free session with a financial mentor. Individuals who have gone through the financial literacy curriculum give it high marks. One participant told a program manager, "I gained more confidence in how I was managing my money and budgeting. I was given positive reinforcement from the person I worked with. This added confidence also gave me a sense of pride in myself."

Financial Awareness Tools - Financial awareness tools (examples listed below) were an important part of the curriculum. At each workshop session, one or more financial awareness tool was given to participants to help them understand and apply new financial concepts, and improve their financial organization and personal financial management. Participants in follow-up focus groups all mentioned the provision of these tools as one of the most effective features of the educational program.

Examples of items given and their purpose are:

- Vinyl expandable folder – to organize personal financial records
- Pencil – to reconcile check register
- Cash tracker and calendar – to teach how to track expenses and plan for paying bills on time
- Mini-memo board – to teach financial goal setting

- Paycheck booster sliding calculator – to show how daily expenses can add up
- Calculator – to reconcile check register, to develop and analyze spending plan
- Pen – to write out a check
- Magnetic frame – to remind participants about financial goal setting
- Piggy bank – to promote the idea of a savings habit

These items are available to any agency or organization offering financial literacy education programs. They are warehoused and sold by the ADminders Company located in Lansing, NY. Phone (607) 533-7700, Fax (607) 533-8853 or on line at promos@adminders.com. The website is www.adminders.com.

National Credit Union Foundation - New York


TOS-2002-0115G

Appendix B

	<u>Budget</u>	<u>Program Cummulative Withdrawals</u>	<u>Remaining</u>
Personnel	267,120	225,236	41,884
Fringe Benefits	62,682	64,723	(2,041)
Travel	17,721	5,987	11,734
Equipment	-	-	-
Supplies	9,343	2,773	6,570
Contractual	300,743	292,847	7,896
Other	108,197	129,337	(21,140)
Total	<u>765,806</u>	<u>720,903</u>	<u>44,903</u>

FINANCIAL STATUS REPORT
(Long Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted US DEPARTMENT OF TREASURY		2. Federal Grant or Other Identifying Number Assigned By Federal Agency TOS-2002-0115G		OMB Approval No. 0348-0039	Page of 1 of 1 pages
3. Recipient Organization (Name and complete address, including ZIP code) NATIONAL CREDIT UNION FOUNDATION, INC. 601 PENNSYLVANIA AVE., NW SUITE 600, WASHINGTON DC 20004-2601					
4. Employer Identification Number 39-1383650		5. Recipient Account Number or Identifying Number TOS-2002-0115G		6. Final Report <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual					
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 12/6/2002		To: (Month, Day, Year) 9/30/2004		9. Period Covered by this Report From: (Month, Day, Year) 12/6/2002	
To: (Month, Day, Year) 9/30/2004					
10. Transactions:					
		I	II	III	
		Previously Reported	This Period	Cumulative	
a. Total outlays			720,903.00	720,903.00	
b. Refunds, rebates, etc.				0.00	
c. Program income used in accordance with the deduction alternative				0.00	
d. Net outlays (Line a, less the sum of lines b and c)		0.00	720,903.00	720,903.00	
Recipient's share of net outlays, consisting of:					
e. Third party (in-kind) contributions					0.00
f. Other Federal awards authorized to be used to match this award					0.00
g. Program income used in accordance with the matching or cost sharing alternative					0.00
h. All other recipient outlays not shown on lines e, f or g					0.00
i. Total recipient share of net outlays (Sum of lines e, f, g and h)		0.00	0.00		0.00
j. Federal share of net outlays (line d less line i)		0.00	720,903.00		720,903.00
k. Total unliquidated obligations					
l. Recipient's share of unliquidated obligations					
m. Federal share of unliquidated obligations					
n. Total Federal share (sum of lines j and m)					720,903.00
o. Total Federal funds authorized for this funding period					765,806.00
p. Unobligated balance of Federal funds (Line o minus line n)					44,903.00
Program income, consisting of:					
q. Disbursed program income shown on lines c and/or g above					
r. Disbursed program income using the addition alternative					
s. Undisbursed program income					
t. Total program income realized (Sum of lines q, r and s)					0.00
11. Indirect Expense		a. Type of Rate (Place "X" in appropriate box) <input checked="" type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed			
		b. Rate SEE BELOW	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation. SUBGRANTEE CORNELL UNIVERSITY USED 8% AS INDIRECT RATE OR A TOTAL OF \$45,047.					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title STEPHEN M DELFIN, EXECUTIVE DIRECTOR				Telephone (Area code, number and extension) 202-508-6769	
Signature of Authorized Certifying Official 				Date Report Submitted December 22, 2004	

FEDERAL CASH TRANSACTIONS REPORT		OMB APPROVAL NO. 0348-0003	
(See instructions on the back. If report is for more than one grant or assistance agreement, attach completed Standard Form 272A.)		1. Federal sponsoring agency and organizational element to which this report is submitted US DEPARTMENT OF TREASURY	
2. RECIPIENT ORGANIZATION		4. Federal grant or other identification number TOS-2002-0115G	5. Recipient's account number or identifying number 39-1383650
Name: NATIONAL CREDIT UNION FOUNDATION, INC.		6. Letter of credit number	7. Last payment voucher number
Number and Street: 601 PENNSYLVANIA AVE., NW SUITE 600		<i>Give total number for this period</i>	
City, State and ZIP Code: WASHINGTON DC 20004-2601		8. Payment Vouchers credited to your account 15	9. Treasury checks received (whether or not deposited) 15
3. FEDERAL EMPLOYER IDENTIFICATION NO. 39-1383650		10. PERIOD COVERED BY THIS REPORT	
		FROM (month, day, year) 12/6/2002	TO (month, day, year) 9/30/2004
11. STATUS OF FEDERAL CASH <i>(See specific instructions on the back)</i>	a. Cash on hand beginning of reporting period		\$
	b. Letter of credit withdrawals		
	c. Treasury check payments		720,903.00
	d. Total receipts (Sum of lines b and c)		720,903.00
	e. Total cash available (Sum of lines a and d)		720,903.00
	f. Gross disbursements		720,903.00
	g. Federal share of program income		720,903.00
	h. Net disbursements (Line f minus line g)		0.00
	i. Adjustments of prior periods		
	j. Cash on hand end of period		\$
12. THE AMOUNT SHOWN ON LINE 11j, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING <i>Days</i>		13. OTHER INFORMATION	
		a. Interest income	\$
		b. Advances to subgrantees or subcontractors	\$

14. REMARKS (Attach additional sheets of plain paper, if more space is required)

15. CERTIFICATION			
I certify to the best of my knowledge and belief that this report is true in all respects and that all disbursements have been made for the purpose and conditions of the grant or agreement.	AUTHORIZED	SIGNATURE 	DATE REPORT SUBMITTED 12/22/2004
	CERTIFYING OFFICIAL	TYPED OR PRINTED NAME AND TITLE STEPHEN M DELFIN EXECUTIVE DIRECTOR	TELEPHONE (Area Code, Number, Extension) 202-508-6769
	THIS SPACE FOR AGENCY USE		